



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE

United States Patent and Trademark Office

Address: COMMISSIONER FOR PATENTS

P.O. Box 1450

Alexandria, Virginia 22313-1450

www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/098,700	03/15/2002	David W. Cunningham	4000-007	6945
24112 7590 06/21/2010 COATS & BENNETT, PLLC 1400 Crescent Green, Suite 300 Cary, NC 27518				
EXAMINER				
GILLIGAN, CHRISTOPHER L				
ART UNIT		PAPER NUMBER		
3626				
MAIL DATE		DELIVERY MODE		
06/21/2010		PAPER		

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

1 UNITED STATES PATENT AND TRADEMARK OFFICE  
2  
3

---

4 BEFORE THE BOARD OF PATENT APPEALS  
5 AND INTERFERENCES  
6

---

7  
8 *Ex parte* DAVID W. CUNNINGHAM, JOHN M. HARDEN,  
9 WILLIAM N. ENGLE, and CHARLES W. REUBEN  
10

---

11  
12 Appeal 2009-005222  
13 Application 10/098,700  
14 Technology Center 3600  
15

---

16  
17 Decided: June 21, 2010  
18

---

19  
20 Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and  
21 ANTON W. FETTING, *Administrative Patent Judges*.  
22 FETTING, *Administrative Patent Judge*.  
23  
24

25  
DECISION ON APPEAL

1 STATEMENT OF THE CASE

2 David W. Cunningham, John M. Harden, William N. Engle, and Charles  
3 W. Reuben (Appellants) seek review under 35 U.S.C. § 134 (2002) of a final  
4 rejection of claims 15-19, 54-55, and 64-72, the only claims pending in the  
5 application on appeal.

6 We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b)  
7 (2002).

8 SUMMARY OF DECISION<sup>1</sup>

9 We AFFIRM.

10 THE INVENTION

11 The Appellants invented a method of dispensing, tracking, and managing  
12 pharmaceutical products by communicatively linking prescribers and  
13 pharmacies to a central computing station in such a manner that variable  
14 values may be provided to different individuals based on selected variables  
15 such as location and/or volume purchased (Specification 1:11-15).

16 An understanding of the invention can be derived from a reading of  
17 exemplary claim 15, which is reproduced below [bracketed matter and some  
18 paragraphing added].  
19

---

<sup>1</sup> Our decision will make reference to the Appellants' Appeal Brief ("App. Br.," filed July 23, 2007) and Reply Brief ("Reply Br.," filed January 16, 2008), and the Examiner's Answer ("Ans.," mailed November 16, 2007), and Final Rejection ("Final Rej.," mailed February 23, 2007).

- 1           15. A method of promoting goods and services, comprising:  
2           [1]   issuing media in which each medium has at least one  
3           good or service associated therewith;  
4           [2]   identifying each medium with an identifier and recording  
5           the identifier in a database such that the at least one good or  
6           service associated with each medium can be determined;  
7           [3]   assigning an inactive status to the media such that while  
8           assuming the inactive status the goods or services associated  
9           with the medium may not be redeemed;  
10          [4]   recording the inactive status in a database;  
11          [5]   activating at least some of the media by changing the  
12          status of the media from an inactive state to an active state and  
13          recording the change of the status in the database;  
14          [6]   varying the value of at least some of the media such that  
15          the value of the media varies according to selected conditions;  
16          and  
17          [7]   distributing the media to holders wherein the holders  
18          present the media to providers that deliver the goods or services  
19          associated with the presented media to the holders.

20

21

## THE REJECTIONS

22

The Examiner relies upon the following prior art:

Deaton et al.	US 5,644,723	Jul. 1, 1997
Cunningham	US 5,832,449	Nov. 3, 1998

23

24

Claims 15-19, 54-55, and 64-72 stand rejected under 35 U.S.C. § 102(e)

25

as being anticipated by Deaton.

26

Claims 15-19, 54-55, and 64-72 stand provisionally rejected under the

27

doctrine of obviousness-type double patenting.

ISSUES

The issue of whether the Examiner erred in rejecting claims 15-19, 54-55, and 64-72 under 35 U.S.C. § 102(e) as anticipated by Deaton turns on whether Deaton describes assigning an inactive status to the media.

The issue of whether the Examiner erred in rejecting claims 15-19, 54-55, and 64-72 under the doctrine of obviousness-type double patenting turns on whether Deaton describes varying the value of the media based on the manner of activation, the location of the provider, or the identity of the holder or provider.

FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are believed to be supported by a preponderance of the evidence.

*Facts Related to the Prior Art*

*Deaton*

01. Deaton is directed to a method and system for processing and developing a customer database for customer information, such as credit verification status and transaction frequency and dollar volume over specified intervals, that can be used for credit verification, targeted customer marketing and other customer relations purposes (Deaton 1:35-43).

02. Deaton describes a transaction processing system that reduces the requirements for customer identification, adopts a risk management approach to credit verification based on a customer's transaction history, and improves the store's marketing by

collecting current and historical transaction data (Deaton 4:34-47).  
The customer's financial instrument account number (check,  
credit card, debit card, or the like) is the unique customer  
identification number (Deaton 4:44-47). The system operates at  
an individual store and maintains a local customer database of  
customer records for that store (Deaton 4:52-55). The customer  
records include verification data and transactional data (Deaton  
4:55-60). A transaction processor processes a customer  
information request using the customer identification number to  
search the customer database and returns an appropriate  
verification response and a targeted marketing response based on  
the customer records (Deaton 5:1-8).

03. A verify function is used to provide verification status for  
transactions and to update transactional data in the customer  
database (Deaton 26:33-36). A verification status can be positive,  
negative, or caution (Deaton 26:33-36). For multiple-store  
systems, a global update function is used to coordinate the  
exchange of certain customer information among the individual  
stores (Deaton 30:63-65). The host system receives selected  
customer records and negative status records from each remote  
system, updates its customer database, and then transmits globally  
updated records back to each of the remote systems (Deaton 31:1-  
4). For remote negative status records, the host retrieves or  
creates a corresponding host record and sets host status as active  
or inactive (Deaton 31:63-67 and Fig. 6A).

04. The targeted marketing of individual customers is based on the customer's shopping history (Deaton 7:12-14 and Deaton 70:8-27). The system induces the shopper to return based upon preselected criteria (Deaton 70:29-39). Coupons or other incentives are awarded to shoppers such that substantial rewards may be given to an infrequent shopper while less substantial rewards are given to a more frequent shopper (Deaton 7:14-20 and 105:23-45). Coupons bearing the desired information are printed at the point of sale and the coupons are related to a particular type of product just purchased by the consumer (Deaton 70:17-23). Based on the customer's shopping history, the system varies the types of incentives provided by the system (Deaton 7:23-25). Coupons or incentives to purchase certain products may also be based on other variables, such as seasonality or holidays (Deaton 105:46-60).

*Cunningham (5,832,449)*

05. 1. A method of dispensing, tracking, and managing pharmaceutical trial products utilizing prescribers, pharmacies, and a central computing station, comprising the steps of:
- a) forming a series of product trial cards by encoding on a respective product trial cards information that identifies a particular pharmaceutical trial product;
  - b) issuing the product trial cards to participating prescribers;
  - c) activating the product trial cards after issuance to prescribers by the prescribers communicatively linking the

product trial cards to the central computing station and wherein activation is established by the central computing station verifying the authenticity of the product trial cards, recording selected information encoded on the product trial cards in a database associated with the central computing station, and finally approving activation;

d) transferring a respective activated product trial card from a prescriber to a patient;

e) the patient in turn presenting the activated product trial card to a participating pharmacy;

f) validating the activated product trial card at the pharmacy by the pharmacy communicatively linking the presented product trial card with the central computing station and verifying that the presented product trial card has in fact been activated and not previously validated;

g) after validating the presented product trial card, the pharmacy then dispensing the approved pharmaceutical trial product to the patient; and

h) periodically accounting to the participating pharmacies for pharmaceutical trial product dispensed in accordance with the records of the database associated with the central computing system.

(Cunningham, Claim 1, 12:27-61)



ANALYSIS

*Claims 15-19, 54-55, and 64-72 rejected under 35 U.S.C. § 102(e) as  
being anticipated by Deaton*

The Appellants first contend that Deaton fails to describe limitations [3] - [5] of claims 15 and 66 because Deaton fails to describe assigning of an inactive status to the media (App. Br. 5-7 and Reply Br. 4-5). The Examiner responds that in construing Deaton, the media is a coupon or incentive distributed to a customer and further acknowledges that Deaton merely describes assigning a status to a customer record; however, the Examiner argues that if a customer's account status is inactive, the media (coupons or incentives) will also be inactive and unusable (Ans. 11).

We disagree with the Examiner. First, limitation [3] requires assigning an inactive status *to the media*, where goods or services associated with the medium cannot be redeemed. Limitation [4] requires storing the inactive status in a database and limitation [5] requires changing the status from inactive to active. As such, the inactive status must be assigned to the media itself.

Deaton describes a transaction processing system that utilizes a customer's account number to process transactions (FF 02). In processing transactions, a customer's account is verified (FF 02). Based on previous transactions, a customer's account may have a positive, negative, or cautious status associated to it (FF 03). In updating multiple systems, if a negative status is received by a host system from a remote system, the host system creates a host record and sets the host record status to active or inactive (FF 03).

Deaton fails to describe assigning an inactive status to the media itself. As noted *supra*, limitation [3] explicitly requires an inactive status to the media, not to an account for which the media can be applied towards. As such, the Examiner's finding is not correct because the claims explicitly require the status to be associated directly to the media, not indirectly. Furthermore, Deaton fails to describe limitations [4] and [5] as these limitations functionally integrate the inactive status limitation in to other requirements. Since Deaton fails to describe this limitation, Deaton fails to anticipate claims 15 and 66.

The Examiner further found that in Deaton the coupons or incentives (media) are considered functionally inactive until activated by handing the coupon to a specific customer (Ans. 12). We find this incorrect. Deaton explicitly describes that coupons or incentives are printed at the point of sale and these coupons are based on items that have just been purchased by the customer (FF 04). That is, the coupons are not in existence until a customer has completed a purchase and is issued a related coupon or incentive. Therefore, the coupons or incentives do not have any status, much less an inactive status, prior to issuance to a customer since they are not in existence prior to the point of sale.

Claims 16-19, 54-55, 64-65, and 67-72 depend from claims 15 and 66 and therefore incorporate this limitation. As such, Deaton fails to anticipate these claims as well. Since this issue is dispositive as to the anticipation rejections against these claims, we need not reach the remaining arguments raised by the Appellants against these rejections.

1 The Examiner erred in rejecting claims 15-19, 54-55, and 64-72 under  
2 35 U.S.C. § 102(e) as being anticipated by Deaton.

3 *Claims 15-19, 54-55, and 64-72 provisionally rejected under the*  
4 *doctrine of obviousness-type double patenting*

5 The Appellants first contend that (1) the ‘449 patent and Deaton fail to  
6 describe limitation [6] of claims 15 and 66 (App. Br. 14-15 and Reply Br. 5-  
7 6). The Appellants further contend that the ‘449 patent and Deaton fail to  
8 describe claims 16 and 67 (App. Br. 14 and Reply Br. 5-6). The Appellants  
9 also argue that the Examiner failed to properly construe the term “varying  
10 value” (App. Br. 16-20 and Reply Br. 5-6). We disagree with the  
11 Appellants. First, the Examiner has not relied on the ‘449 patent to describe  
12 limitation [6] or claims 16 and 67. Therefore this argument is not found  
13 persuasive because the Appellants are responding to the rejection by  
14 attacking the references separately, even though the rejection is based on the  
15 combined teachings of the references. Nonobviousness cannot be  
16 established by attacking the references individually when the rejection is  
17 predicated upon a combination of prior art disclosures. *See In re Merck &*  
18 *Co. Inc.*, 800 F.2d 1091, 1097 (Fed. Cir. 1986).

19 Limitation [6] requires varying the value of the media based on selected  
20 conditions. Claims 16 and 67 further narrow this limitation to require  
21 varying the value of the media to be based on the manner of activation, the  
22 location of the provider, or the identity of the holder or provider. As such,  
23 under the broadest reasonable interpretation, the limitation “varying the  
24 value” requires any type of variation in the value of the issued media and  
25 such a construction is consistent with the specification and the claims.

1 This is the same ordinary meaning of the term provided by the Appellants  
2 (Reply Br. 3).

3 Deaton describes monitoring and tracking customer transactions in order  
4 to perform targeted marketing to individual customers (FF 02). Customers  
5 are induced to purchase certain products, a certain amount of products, or a  
6 certain amount of products over a certain period of time based on  
7 preselected criteria (FF 04). The type or value of the coupon is based on the  
8 customer's current or historical transactions (FF 04). That is, coupons or  
9 incentives distributed to customers are varied based on selected criteria such  
10 as current or historical purchases. Additionally, the value of the coupon or  
11 media is based on the identity of the holder since the customer is the holder  
12 of the coupon and the value is based on the customer's current or historical  
13 purchases. As such, Deaton describes these limitations as properly  
14 construed.

15 The Appellants further contend that (2) there is no motivation to  
16 combine Deaton and the '449 patent (App. Br. 15-16 and Reply Br. 6). We  
17 disagree with the Appellants. The '449 patent is concerned with the  
18 management of pharmaceutical products issued to consumers (FF 05).  
19 Deaton is also concerned with the management of products, in the form of  
20 coupons and incentives, that are marketed to consumers (FF 02). Deaton  
21 addresses this concern by providing a system that utilizes a customer's  
22 current and historical purchase history to determine what type of coupon and  
23 varying the value of that coupon to be issued to the customer (FF 04). As  
24 such, a person with ordinary skill in the art would have recognized  
25 combining Deaton with the '449 patent in order to manage products and the  
26 value of products issued to customers. Therefore, the '449 patent and

Deaton are concerned with the same problem and a person with ordinary skill in the art would have been lead to combine their teachings.

The Examiner did not err in rejecting claims 15-19, 54-55, and 64-72 under the doctrine of obviousness-type double patenting.

#### CONCLUSIONS OF LAW

The Examiner erred in rejecting claims 15-19, 54-55, and 64-72 under 35 U.S.C. § 102(e) as being anticipated by Deaton.

The Examiner did not err in rejecting claims 15-19, 54-55, and 64-72 under the doctrine of obviousness-type double patenting.

#### DECISION

To summarize, our decision is as follows.

- The rejection of claims 15-19, 54-55, and 64-72 under 35 U.S.C. § 102(e) as being anticipated by Deaton is not sustained.
- The rejection of claims 15-19, 54-55, and 64-72 under the doctrine of obviousness-type double patenting is sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

#### AFFIRMED

Klh

COATS & BENNETT, PLLC  
1400 CRESCENT GREEN, SUITE 300  
CARY, NC 27518